

Jameka Y. Harris
Filings Analyst
State Filings Division
212.458.7056 Telephone
212.458.7077 Facsimile
jamekaharris@chartisinsurance.com

RECEIVED

NOV 10 2009

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD

CHARTIS

FILED

JUN 01 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

November 5, 2009

Honorable Michael T. McRaith
Director of Insurance
Illinois Department of Financial & Professional Regulation
Illinois Department of Insurance
320 West Washington Street, 4th Floor
Springfield, Illinois 62767-0001
Attn.: Mr. John Gatlin
Supervisor, Property and Casualty Compliance Unit

RE: AMERICAN HOME ASSURANCE COMPANY
NAIC #012-19380 FEIN # 13-5124990 ✓
COMMERCE AND INDUSTRY INSURANCE COMPANY
NAIC #012-19410 FEIN # 13-1938623 ✓
Psychoanalysts Professional Liability Program
Our Filing No.: AIC-09-EO-14

+ 3%

RATE/RULE

Dear Mr. Gatlin:

The referenced companies (the "Companies") have on file with your Department their Psychoanalysts Professional Liability Program (the "Program"). The Companies submit, for your review and approval, revised rates to replace the rates currently on file for this Program.

Please refer to the attached actuarial materials for information about the rates included in this submission.

We wish to make this filing effective for all policies effective on or after December 10, 2009, or the earliest date permitted by your Department.

Your favorable review and consideration are respectfully requested.

Regards,

Jameka Y. Harris

HO
MEM
RAT
dfw
Jeh

Neuman, Gayle

From: Harry, Myron [Myron.Harry@chartisinsurance.com]
Sent: Thursday, June 17, 2010 3:40 PM
To: Neuman, Gayle
Subject: RE: American Home Assurance Co, Commerce & Industry Ins Co - Filing #AIC-09-EO-14

Ms. Neuman,

We would like an effective date of June 1, 2010. Thank you.

Myron Harry

Analyst
Chartis
State Filings Division

(212) 458-7057 Telephone
(212) 458-7077 Facsimile
<mailto:myron.harry@chartisinsurance.com>

Chartis U.S.
175 Water Street, 17th Floor
New York, NY 10038

Please visit our Website at:
www.chartisinsurance.com

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From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Thursday, June 17, 2010 10:04 AM
To: Harry, Myron
Subject: American Home Assurance Co, Commerce & Industry Ins Co - Filing #AIC-09-EO-14

Ms. Harry,

The Department of Insurance has now completed its review of the filing referenced above. Previously, American Home Assurance and Commerce & Industry requested the filing be effective February 1, 2010. Was the filing put in effect on February 1, 2010 or do you wish to have a different effective date?

Your prompt response is appreciated.

Gayle Neuman

Illinois Department of Insurance
Property & Casualty Compliance
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at www.insurance.illinois.gov.

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RATE/RULE FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes rate-related items such as Rate; Rule; Rate & Rule; Reference; Loss Cost; Loss Cost & Rule or Rate, etc.)

(Do not refer to the body of the filing for the component/exhibit listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	AIC-09-EO-14
2.	This filing corresponds to form filing number (Company tracking number of form filing, if applicable)	

☒ Rate Increase☐ Rate Decrease☐ Rate Neutral (0%)

3.	Filing Method (Prior Approval, File & Use, Flex Band, etc.)					
4a.	Rate Change by Company (As Proposed)					
Company Name	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change (where required)	Minimum % Change (where required)
American Home/National Union Group	3.0%	\$14,300	137	\$476,671	3.0%	3.0%
Commerce and Industry Insurance Company	0	0	0	0	0	0
4b.	Rate Change by Company (As Accepted) For State Use Only					
Company Name	Overall % Rate Impact	Written premium change for this program	# of policyholders affected for this program	Written premium for this program	Maximum % Change	Minimum % Change

Overall Rate Information (Complete for Multiple Company Filings only)			
		COMPANY USE	STATE USE
5a.	Overall percentage rate impact for this filing		
5b.	Effect of Rate Filing – Written premium change for this program		
5c.	Effect of Rate Filing – Number of policyholders affected		
6.	Overall percentage of last rate revision	3.0%	
7.	Effective Date of last rate revision	07/02/08	
8.	Filing Method of Last filing (Prior Approval, File & Use, Flex Band, etc.)		

9.	Rule # or Page # Submitted for Review	Replacement or Withdrawn?	Previous state filing number, if required by state
01	1	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	AIC-07-EO-22
02		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	
03		<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	

SUMMARY SHEET
PSYCHOANALYSTS PROFESSIONAL LIABILITY

Change in Company's premium or rate level produced by rate revision effective 2/1/2010

(1) <u>Coverage</u>	(2) <u>Annual Premium Volume (Illinois)*</u>	(3) <u>Percent Change (+ or -)**</u>
1. Automobile Liability		
Private Passenger		
Commercial		
2. Automobile Physical Damage		
Private Passenger		
Commercial		
3. Liability Other Than Auto	\$476,671***	3%
4. Burglary and Theft		
5. Glass		
6. Fidelity		
7. Surety		
8. Boiler and Machinery		
9. Fire		
10. Extended Coverage		
11. Inland Marine		
12. Homeowners		
13. Commercial Multi-Peril		
14. Crop Hail		
15. Other <i>med mal</i>		
Line of Insurance		

Does filing only apply to certain territory (territories) or certain classes? If so, specify:

No, the base rate increase applies to all classes and does not apply to a certain territory.

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):

Base rate increase

* Adjusted to reflect all prior rate changes.

** Change in Company's premium level which will
result from application of new rates.

*** American Home Assurance Company's premium.

American Home Assurance Company
Commerce and Industry Insurance Company
Name of Company

Adam C. Reed - Assistant Vice President
Official-Title

RECEIVED

JAN 27 2010

H29219D

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS

FILING# AIC-09-E0-14

Change in Company's premium or rate level produced by rate revision effective		\$14,300
(1)	(2)	(3)
Coverage	Annual Premium Volume (Illinois)*	Percent Change (+ or -)**
1. Automobile Liability		
Private Passenger		
Commercial		
2. Automobile Physical Damage		
Private Passenger		
Commercial		
3. Liability Other Than Auto	\$476,671	3%
4. Burglary and Theft		
5. Glass		
6. Fidelity		
7. Surety		
8. Boiler and Machinery		
9. Fire		
10. Extended Coverage		
11. Inland Marine		
12. Homeowners		
13. Commercial Multi-Peril		
14. Crop Hail		
15. Other		
Line of Insurance		

Does filing only apply to certain territory (territories) or certain classes? If so, specify:
No, the base rate increase applies to all classes.

Brief description of filing. (If filing follows rates of an advisory organization, specify organization):
Base rate increase
psychanalysts

* Adjusted to reflect all prior rate changes.
** Change in Company's premium level which will result from application of new rates.

RECEIVED
NOV 10 2009
STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD

H29219D

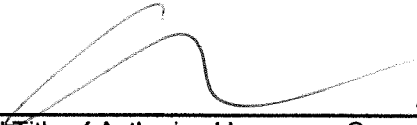
Assurance
American Home/National Union Group
Name of Company
Adam Reed - Assistant Vice President
Official-Title

**ILLINOIS CERTIFICATION FOR
MEDICAL MALPRACTICE RATES**

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience


I, Adam C. Reed, a duly authorized officer American Home/National Union Group am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, Mary Gaillard, am a member of the Casualty Actuarial Society and a Member of the American Academy of Actuaries and have met the Qualification Standards of the American Academy. I am a duly authorized actuary of the American Home/National Union Group and am authorized to certify on behalf of American Home/National Union Group making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.



Assistant Vice President
Signature and Title of Authorized Insurance Company Officer

11/5/2009
Date



Vice President and Associate Actuary
Signature, Title and Designation of Authorized Actuary

11/2/09
Date

Insurance Company FEID 13-5124990, 13-1938623

Filing Number: AIC-09-EO-14

Insurer's Address 175 Water Street

City: New York State: New York Zip Code: 10038

Contact Person's: Jameka Y. Harris

-Name and E-mail jameka_harris@chartisinsurance.com

-Direct Telephone and Fax Number: Telephone: (212) 458-7056
Fax: (212) 458-7077

**ILLINOIS CERTIFICATION FOR
MEDICAL MALPRACTICE RATES
PSYCHOANALYSTS PROFESSIONAL LIABILITY**

(215 ILCS 5/155.18)(3) states that medical liability rates shall be certified in such filing by an officer of the company and a qualified actuary that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience

I, Adam C. Reed, a duly authorized officer American Home Assurance Company and Commerce and Industry Insurance Company am authorized to certify on behalf of the Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.

I, Mary Gaillard, am a member of the Casualty Actuarial Society and a Member of the American Academy of Actuaries and have met the Qualification Standards of the American Academy. I am a duly authorized actuary of the American Home Assurance Company and Commerce and Industry Insurance Company and am authorized to certify on behalf of American Home Assurance Company and Commerce and Industry Insurance Company making this filing that the company's rates are based on sound actuarial principles and are not inconsistent with the company's experience, and that I am knowledgeable of the laws, regulations and bulletins applicable to the policy rates that are the subject of this filing.



Assistant Vice President

Signature and Title of Authorized Insurance Company Officer

1/26/2010

Date



Vice President and Associate Actuary

Signature, Title and Designation of Authorized Actuary

1/26/2010

Date

Insurance Company FEID 13-5124990, 13-1938623

Filing Number: AIC-09-EO-14

Insurer's Address 175 Water Street

City: New York State: New York Zip Code: 10038

Contact Person's: Myron Harry

-Name and E-mail myron.harry@chertisinsurance.com

-Direct Telephone and Fax Number: Telephone: _____
Fax: (212) 458-7077

Neuman, Gayle

From: Neuman, Gayle
Sent: Tuesday, December 01, 2009 1:25 PM
To: 'jamekaharris@chartisinsurance.com'
Subject: FW: Filing #AIC-09-EO-14

Ms. Harris,

I left a voice mail message for you today. Until I get a proper response, I will not process this filing. Do you wish to withdraw this filing? Your immediate attention is requested.

Gayle Neuman
Department of Insurance

From: Neuman, Gayle
Sent: Tuesday, November 17, 2009 2:04 PM
To: 'jamekaharris@chartisinsurance.com'
Subject: FW: Filing #AIC-09-EO-14

Ms. Harris,

I have received no response to the e-mail below. Do you wish to withdraw this filing? Your immediate attention is required.

Gayle Neuman
Department of Insurance

From: Neuman, Gayle
Sent: Tuesday, November 10, 2009 11:18 AM
To: 'jamekaharris@chartisinsurance.com'
Subject: Filing #AIC-09-EO-14

Ms. Harris,

I am in receipt of the above referenced filing submitted with your letter dated November 5, 2009. Although the cover letter references Commerce and Industry Insurance Company, none of the manual pages reference that company and no RF-3 Summary Sheet was provided for that company.

Please advise at your earliest convenience.

Gayle Neuman

Illinois Department of Insurance
Property & Casualty Compliance
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at www.insurance.illinois.gov.

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12/1/2009

Neuman, Gayle

From: Harris, Jameka [Jameka.Harris@chartisinsurance.com]
Sent: Tuesday, December 01, 2009 2:55 PM
To: Neuman, Gayle
Subject: RE: Psychoanalysts Professional Liability Program - AIC-09-EO-14

Ms. Neuman,

We do not have any written premium for Commerce and Industry Insurance Company for psychoanalysts. A countrywide forms filing was made earlier this year adding Commerce and Industry Insurance Company to the program. The filing was approved in IL effective 6/18/09 under our filing number AIC-09-EO-04, serff tracking no. AGNY-126077875.

Kind Regards,

Jameka Y. Harris
Filings Analyst
State Filings Division
(212) 458-7056

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Tuesday, December 01, 2009 3:09 PM
To: Harris, Jameka
Subject: RE: Psychoanalysts Professional Liability Program - AIC-09-EO-14

Ms. Harris,

We will additionally need a RF-3 Summary Sheet for Commerce and Industry. Each company's RF-3 should indicate the amount of premium for psychoanalysts written in each company. This may require that you issue a corrected RF-3 for American Home Assurance.

Thank you for your prompt attention.

Gayle Neuman
Department of Insurance

From: Harris, Jameka [mailto:Jameka.Harris@chartisinsurance.com]
Sent: Tuesday, December 01, 2009 2:01 PM
To: Neuman, Gayle
Subject: Psychoanalysts Professional Liability Program - AIC-09-EO-14

Ms. Neuman,

Thank you for speaking with me regarding our Psychoanalysts Professional Liability filing. Pursuant to our conversation please find attached our revised rate page and our rate/rule filing schedule which now include Commerce and Industry Insurance Company. Please note, the information provided on the Rate/Rule Schedule for the lead company applies to all companies referenced in the filing.

Should you have any additional questions or need anything further from me, please do not hesitate to contact me. Thank you.

Regards,

12/1/2009

Jameka Y. Harris
Filings Analyst
State Filings Division
Chartis
175 Water Street, 17th Fl
New York, NY 10038
(212) 458-7056 (PH)
(212) 458-7077 (Fax)
Please visit our Website at:
www.chartisinsurance.com

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Neuman, Gayle

From: Neuman, Gayle
Sent: Wednesday, January 20, 2010 1:55 PM
To: 'Harris, Jameka'
Subject: FW: Filing #AIC-09-EO-14

Ms. Harris,

I request receipt of your response by no later than January 21, 2010. If for any reason you cannot meet this requirement, please contact me for arrangements.

Gayle Neuman
Department of Insurance

From: Neuman, Gayle
Sent: Monday, January 11, 2010 3:53 PM
To: 'Harris, Jameka'
Subject: Filing #AIC-09-EO-14

Ms. Harris,

Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?

We additionally need a certification to be completed for Commerce & Industry Insurance Company and manual pages for that company too.

The RF-3 submitted for American Home Assurance needs: the effective date – I am unclear what the \$14,300 amount represents. The form should indicate “psychoanalysts” and indicate the filing does not apply to a certain territory. Additionally, please add “Assurance” to the company’s name.

We request receipt of your response by January 15, 2010.

Gayle Neuman

Illinois Department of Insurance
Property & Casualty Compliance
(217) 524-6497

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Neuman, Gayle

From: Neuman, Gayle
Sent: Thursday, January 21, 2010 7:41 AM
To: 'Harry, Myron'
Cc: 'Floreen.cox@chartisinsurance.com'
Subject: FW: Filing #AIC-09-EO-14

I sent this yesterday (requesting a delivery receipt) but did not receive one. Therefore, I am sending it again. I apologize if you have already received this e-mail.

Gayle Neuman
Department of Insurance

From: Neuman, Gayle
Sent: Wednesday, January 20, 2010 2:26 PM
To: 'Harry, Myron'
Cc: 'Floreen.cox@chartisinsurance.com'
Subject: FW: Filing #AIC-09-EO-14

Ms. Harry,

Below is an e-mail that I had sent to Jameka Harris. I found out today that she is no longer handling this issue. Please forward a response by January 25, 2010. Thank you for your assistance.

Gayle Neuman
Department of Insurance

From: Neuman, Gayle
Sent: Monday, January 11, 2010 3:53 PM
To: 'Harris, Jameka'
Subject: Filing #AIC-09-EO-14

Ms. Harris,

Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what stat agency is being used?

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We request receipt of your response by January 15, 2010.

Gayle Neuman

Illinois Department of Insurance
Property & Casualty Compliance
(217) 524-6497

1/21/2010

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Neuman, Gayle

From: System Administrator
To: Harry, Myron
Sent: Thursday, January 21, 2010 7:42 AM
Subject: Delivered: FW: Filing #AIC-09-EO-14

Your message

To: Harry, Myron
Cc: Floreen.cox@chartisinsurance.com
Subject: FW: Filing #AIC-09-EO-14
Sent: 1/21/2010 7:41 AM

was delivered to the following recipient(s):

Harry, Myron on 1/21/2010 7:42 AM

Neuman, Gayle

From: System Administrator
To: Floreen.Cox@chartisinsurance.com
Sent: Thursday, January 21, 2010 7:42 AM
Subject: Delivered: FW: Filing #AIC-09-EO-14

Your message

To: Harry, Myron
Cc: Floreen.cox@chartisinsurance.com
Subject: FW: Filing #AIC-09-EO-14
Sent: 1/21/2010 7:41 AM

was delivered to the following recipient(s):

Floreen.Cox@chartisinsurance.com on 1/21/2010 7:42 AM

Neuman, Gayle

From: Harry, Myron [Myron.Harry@chartisinsurance.com]
Sent: Wednesday, January 27, 2010 9:27 AM
To: Neuman, Gayle
Cc: Deveaux, Andre M
Subject: RE: Filing #AIC-09-EO-14
Attachments: IL Certification for Med Mal Rates.pdf; IL Rates Page - AH & CI.pdf; IL Summary Sheet - Form (RF-3).pdf

Ms. Neuman,

We apologize for the delay in responding to your request and appreciate the extension you have granted.

In response to your comment email dated January 20, 2010, we offer the following:

Please be advised that American Home Assurance Company is a member of ISO statistical agency and rating bureau and reports its data to this organization accordingly. Psychoanalysts Professional Liability is an independent program and as such reports its data to ISO.

Attached please find a revised Illinois certification for American Home Assurance Company and Commerce and Industry Insurance Company. Also, attached is a revised Psychoanalysts Professional Liability Manual Rates Page.

In addition, per your request, we have revised the Illinois Summary Sheet – Form (RF-3) as follows:

1. The rate revision effective is corrected to read 2/1/2010.
2. We have added the name "Psychoanalysts Professional Liability" to the form.
3. We have added the statement that this filing "does not apply to a certain territory".
4. We have added "Assurance" to the company's name.

Please let us know if we can be of any further assistance.

Myron Harry

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Monday, January 25, 2010 3:26 PM
To: Myers, Monique
Subject: RE: Filing #AIC-09-EO-14 Psychoanalysts PL Program - Illinois

Ms. Myers,

I can only give you until January 27, 2010. This situation is unfortunate. Perhaps you should contact your IT department to ensure that e-mail is forwarded to another party when someone's employment is terminated. Thank you for your assistance.

Gayle Neuman
 Department of Insurance

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]

1/27/2010

Sent: Wednesday, January 20, 2010 3:26 PM
To: Harry, Myron
Cc: Cox, Floreen
Subject: FW: Filing #AIC-09-EO-14

Ms. Harry,

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Gayle Neuman
Department of Insurance

From: Neuman, Gayle
Sent: Monday, January 11, 2010 3:53 PM
To: 'Harris, Jameka'
Subject: Filing #AIC-09-EO-14

Ms. Harris,

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We additionally need a certification to be completed for Commerce & Industry Insurance Company and manual pages for that company too.

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We request receipt of your response by January 15, 2010.

Gayle Neuman

Illinois Department of Insurance
Property & Casualty Compliance
(217) 524-6497

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1/27/2010

Neuman, Gayle

From: Harry, Myron [Myron.Harry@chartisinsurance.com]
Sent: Thursday, January 28, 2010 3:44 PM
To: Neuman, Gayle
Subject: RE: Filing #AIC-09-EO-14

Ms. Neuman,

Could we please have an effective date of February 1, 2010. Thank you.

Myron Harry

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Thursday, January 28, 2010 3:04 PM
To: Harry, Myron
Subject: RE: Filing #AIC-09-EO-14

Ms. Harry,

The November 5, 2009 letter sent with this filing to the Department indicated a requested effective date of December 10, 2009. With the revisions to the RF-3 that you submitted on January 27, 2010, the RF-3 now indicates an effective date of February 1, 2010. Please clarify the effective date to be used.

Gayle Neuman
 Department of Insurance

From: Harry, Myron [mailto:Myron.Harry@chartisinsurance.com]
Sent: Wednesday, January 27, 2010 9:27 AM
To: Neuman, Gayle
Cc: Deveaux, Andre M
Subject: RE: Filing #AIC-09-EO-14

Ms. Neuman,

We apologize for the delay in responding to your request and appreciate the extension you have granted.

In response to your comment email dated January 20, 2010, we offer the following:

Please be advised that American Home Assurance Company is a member of ISO statistical agency and rating bureau and reports its data to this organization accordingly. Psychoanalysts Professional Liability is an independent program and as such reports its data to ISO.

Attached please find a revised Illinois certification for American Home Assurance Company and Commerce and Industry Insurance Company. Also, attached is a revised Psychoanalysts Professional Liability Manual Rates Page.

In addition, per your request, we have revised the Illinois Summary Sheet – Form (RF-3) as follows:

1. The rate revision effective is corrected to read 2/1/2010.
2. We have added the name "Psychoanalysts Professional Liability" to the form.
3. We have added the statement that this filing "does not apply to a certain territory".
4. We have added "Assurance" to the company's name.

Please let us know if we can be of any further assistance.

Myron Harry

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Monday, January 25, 2010 3:26 PM
To: Myers, Monique
Subject: RE: Filing #AIC-09-EO-14 Psychoanalysts PL Program - Illinois

Ms. Myers,

I can only give you until January 27, 2010. This situation is unfortunate. Perhaps you should contact your IT department to ensure that e-mail is forwarded to another party when someone's employment is terminated. Thank you for your assistance.

Gayle Neuman
 Department of Insurance

From: Neuman, Gayle [mailto:Gayle.Neuman@illinois.gov]
Sent: Wednesday, January 20, 2010 3:26 PM
To: Harry, Myron
Cc: Cox, Floreen
Subject: FW: Filing #AIC-09-EO-14

Ms. Harry,

1/29/2010

Below is an e-mail that I had sent to Jameka Harris. I found out today that she is no longer handling this issue. Please forward a response by January 25, 2010. Thank you for your assistance.

Gayle Neuman
Department of Insurance

From: Neuman, Gayle
Sent: Monday, January 11, 2010 3:53 PM
To: 'Harris, Jameka'
Subject: Filing #AIC-09-EO-14

Ms. Harris,

Please indicate if your company has a plan for the gathering of statistics or the reporting of statistics to statistical agencies? If yes, what statistical agency is being used?

We additionally need a certification to be completed for Commerce & Industry Insurance Company and manual pages for that company too.

The RF-3 submitted for American Home Assurance needs: the effective date – I am unclear what the \$14,300 amount represents. The forms should indicate "psychoanalysts" and indicate the filing does not apply to a certain territory. Additionally, please add "Assurance" to the company's name.

We request receipt of your response by January 15, 2010.

Gayle Neuman

Illinois Department of Insurance
Property & Casualty Compliance
(217) 524-6497

Please refer to the Property & Casualty Review Checklists before submitting any filing. The checklists can be accessed through the Department's website at www.insurance.illinois.gov.

THIS MESSAGE IS INTENDED FOR THE SOLE USE OF THE ADDRESSEE AND MAY BE CONFIDENTIAL, PRIVILEGED AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAWS. IF YOU RECEIVE THIS MESSAGE IN ERROR, PLEASE DESTROY IT AND NOTIFY US BY SENDING AN E-MAIL TO: GAYLE.NEUMAN@ILLINOIS.GOV.

1/29/2010

PREVIOUSLY FILED MANUAL PAGES

AMERICAN HOME ASSURANCE COMPANY

PSYCHOANALYST PROFESSIONAL LIABILITY

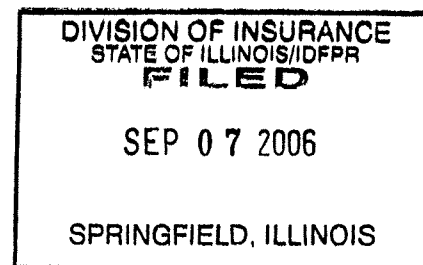
Occurrence Rating Rules

ILLINOIS

1. **Coverage:** All coverages are written on an occurrence basis. For details of coverage, please refer to the policy form.
2. **Limits of Liability:** Manual rates provide a basic professional liability limit of \$1,000,000 each occurrence and \$3,000,000 aggregate as well as \$5,000 for Administrative Hearing coverage. The standard coverage provides for one limit to apply to all persons listed under a single policy. When a corporation or partnership is also covered, the organization shares in the limit of liability with the Named Insured.
3. **Rating Procedure:**

Individual	Each individual psychoanalyst receives a basic rate which is derived from the location of the practice.
Corporation/Partnership	Inclusive limits coverage, within the same individual insured's limits of liability, included automatically.
Landlord	Landlord may be added as an additional insured at an additional charge of 20% of policy premium.
Additional Insured	May be added as an additional insured at an additional charge of 20% of policy premium.
4. **Deductibles:** \$0
5. **Rating Modifications:** The manual rates for insureds may be modified by the following credit/debits:
 - Electro-convulsive Therapy (ECT) - An additional charge of 25% will be made for psychoanalysts performing ECT.
 - Part-time - Each individual will be charged 50% of the full-time premium rate for psychoanalysts practicing 20 hours or less per week.
 - Risk Management Credit 0 - 10%- Attended risk management seminar in the last 12 months or participated in continuing education program.
 - Training Credit 20% - Psychologists, Social Workers and other Mental Health Professionals who have completed training and are licensed to practice as a Psychoanalyst, but are not trained or licensed as a Medical Doctor.
6. **Administrative Hearing:** Additional limits for Administrative Hearing Coverage are available as provided within the Rate Sheet.
7. **The following definition applies to School/Institute/Society. An outpatient visit shall be defined as follows:**
 - a) Individual Counseling: each face-to-face visit is considered one (1) visit;
 - b) Group Counseling: each patient in group session is considered one (1) visit;
 - c) ALL visits performed under the direction of the School/Institute/Society, whether conducted on school property or in a private facility are to be included in the school's total outpatient number.
8. **Exposure Reporting Basis:** The exposure reporting basis for psychoanalysts is per person per 12 month period.
9. **Quarterly Installment Plan:** The charge for premium installments shall be the lesser of one percent (1%) of the total premium or \$25.00 per installment. There will be no interest charges on installment payments. Any additional premium resulting from changes to the policy will be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy will be billed immediately as a separate transaction.

First Quarter	=	40%
Second Quarter	=	20%
Third Quarter	=	20%
Fourth Quarter	=	20%



**AMERICAN HOME ASSURANCE COMPANY
PSYCHOANALYSTS PROFESSIONAL LIABILITY
ILLINOIS**

I. PSYCHOANALYSTS PROFESSIONAL LIABILITY RATES

LIMITS OF LIABILITY	RATE
\$200,000/\$600,000	2,325
\$1,000,000/\$1,000,000	3,836
\$1,000,000/\$3,000,000	4,229
\$2,000,000/\$2,000,000	4,568
\$2,000,000/\$3,000,000	4,695
\$2,000,000/\$4,000,000	4,822
\$2,000,000/\$5,000,000	4,949
\$2,000,000/\$6,000,000	5,076
\$3,000,000/\$3,000,000	5,073
\$3,000,000/\$4,000,000	5,200
\$3,000,000/\$5,000,000	5,327
\$4,000,000/\$4,000,000	5,470
\$4,000,000/\$5,000,000	5,597
\$5,000,000/\$5,000,000	5,813

II. SCHOOL/INSTITUTE/SOCIETY RATES

A. SCHOOL/INSTITUTE

LIMITS OF LIABILITY	RATES BASED ON OUTPATIENT VISITS
\$100,000/\$300,000	0.494 first 5,000 visits
	0.396 next 3,000 visits
	0.356 next 8000 visits and over
\$500,000/\$500,000	0.633 first 5,000 visits
	0.506 next 3,000 visits
	0.456 next 8000 visits and over
\$1,000,000/\$1,000,000	0.732 first 5,000 visits
	0.585 next 3,000 visits
	0.527 next 8000 visits and over
\$1,000,000/\$3,000,000	1.204 first 5,000 visits
	0.963 next 3,000 visits
	0.867 next 8000 visits and over

Minimum Policy Premium - \$750 for \$1,000,000/\$1,000,000

\$1,000 for \$1,000,000/\$3,000,000

B. SOCIETIES

LIMITS OF LIABILITY	PREMIUM
\$500,000/\$500,000	335
\$1,000,000/\$1,000,000	515
\$1,000,000/\$3,000,000	773

III. ADDITIONAL COVERAGES

ECT - Electroconvulsive Therapy Coverage - An additional charge of 25%

Part-Time Psychoanalysts- 50% for psychoanalysts practicing 20 hours or less per week

IV. ADDITIONAL INSURED CHARGES:

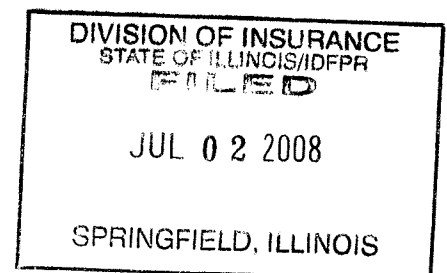
Landlord: 20% of the policy premium

Corporation with Other Employees: 40% of the policy premium

Additional Insured: 20% of the policy premium. Only applies to School/Institute/Society

V. ADMINISTRATIVE HEARING

INCREASED LIMITS	RATE
\$10,000	\$175
\$25,000	\$500



**American Home/National Union Group
Psychoanalysts Professional Liability**

**Explanatory Memorandum
ILLINOIS**

American Home/National Union Group is proposing to increase the base rate for Psychoanalysts Professional Liability by 3.0 %.

Exhibit 1: CALCULATION OF INDICATED RATE LEVEL CHANGE

Ultimate developed, trended and on-level results are shown for countrywide and state loss experience for this program. Countrywide and state earned premiums have been adjusted to each state's present rate level by using the standard parallelogram method. Incurred Losses and Lae are trended to one year past the proposed effective date, in order to reflect changes in frequency and severity subsequent to the experience period. The indicated rate level change is based on a comparison of the credibility weighted loss ratio to the expected loss ratio. An offset for investment income is applied to the calculation of the target profit & contingency. The calculation of profit is based on the company's target rate of return of 15%.

Exhibit 2: DEVELOPMENT OF REPORTED INCURRED LOSS AND LAE TO ULTIMATE

Countrywide and state calculation of ultimate loss and LAE ratios are shown for the most recent five years. Ratios are based on calendar year earned premiums and accident year ultimate loss and LAE, including unallocated LAE (Exhibit 6).

Exhibit 3: INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT

Accident Year Loss and Allocated Loss Adjustment Expense experience for Psychoanalysts Professional Liability is shown as of 6/2009, along with age to age factors and the corresponding age to ultimate development factors (Exhibit 3A). These factors are then applied to the countrywide Exhibit 3A and state Exhibit 3B loss experience for Psychoanalysts Professional Liability.

Exhibit 4: TREND ANALYSIS

Calculation of annual frequency/severity trend is based on the most recent policy year experience for Health Professional Liability. The least squares method has been used to measure the average change in frequency and severity. The trend period extends from the midpoint of each accident year to one year beyond the assumed effective date.

Exhibit 5: EXPENSE PROVISIONS AND DETERMINATION OF EXPECTED LOSS RATIO

Expense provisions are based on the expenses found for Medical Malpractice in the American Home/National Union Group Insurance Expense Exhibit. The commission expense is program specific. The expected loss & lae ratio is the complement of the total expenses and profit load. The profit & contingency factor has been calculated based on a target rate of return on equity of 15%.

Exhibit 6: DETERMINATION OF UNALLOCATED LOSS ADJUSTMENT EXPENSE FACTOR

The unallocated loss adjustment expense provision is determined using data from the Healthcare cost statements for the five most recent years. The factor is expressed as a percentage of total incurred losses and allocated loss adjustment expense.

Exhibit 7: INVESTMENT INCOME EXHIBITS

The investment income exhibits are based on American Home/ National Union Group's Annual Statement experience and incorporate the Medical Malpractice premium and program budgeted expense provisions to determine an indicated investment income offset. The calendar year method was used to determine investment income.

**AMERICAN HOME/NATIONAL UNION GROUP
PSYCHOANALYSTS PROFESSIONAL LIABILITY
(\$ IN 000'S)
DETERMINATION OF RATE LEVEL INDICATION**

ILLINOIS

	Accident Year	(1) Basic Limits Premium at Present Rates (Note A)	(2) Basic Limits Ultimate Loss & LAE (Exhibit 2)	(3)=(2)/(1) Ultimate Loss & LAE Ratio	(4) Trend Factor (Exhibit 4) (Note B)	(5)=(3)*(4) Trended Loss & LAE Ratio	Weight
(1)	2004	2,926	1,031	0.352	1.243	0.438	
(2)	2005	2,902	302	0.104	1.201	0.125	
(3)	2006	2,995	1,972 (E)	0.658	1.161	0.764	0.20
(4)	2007	3,056	1,727 (E)	0.565	1.122	0.634	0.30
(5)	2008	3,144	2,137 (E)	0.680	1.084	0.736	0.50

ILLINOIS

(1)	2004	263	0	0.000	1.243	0.000	
(2)	2005	248	0	0.000	1.201	0.000	
(3)	2006	273	137 (E)	0.503	1.161	0.584	0.20
(4)	2007	286	147 (E)	0.514	1.122	0.577	0.30
(5)	2008	288	169 (E)	0.585	1.084	0.634	0.50

ILLINOIS

CW

(6)	Weighted Average Ultimate Trended Loss and LAE Ratio	0.607	0.711
(6a)	Credibility Weights (Note C):	0.077	0.245
(6b)	Credibility Weighted Ultimate Loss & LAE Ratio (Note D):	0.691	
(7)	Target Loss & LAE Ratio [Exhibit 5]	0.662	
(8)	Indicated Rate Level Change [(6b)/7] - 1	4.4%	
(9)	Selected Rate Level Change	3.0%	

NOTES:

- (A) The calculation of premium at present rates is done using the parallelogram method.
 (B) Trend periods extend from the midpoint of each accident year to one year past the assumed effective date. (Exhibit 4).
 (C) The credibility standard is 683 claims for the experience period.
 State Credibility = Square Root(4/683) CW Credibility = Square Root(41/683)
 (D) Credibility Weighted Ultimate Loss & LAE Ratio =
 [State(6)*State(6a) + CW(6)*CW(6a) + {1 - State(6a) - CW(6a)} * Trended ELR]
 (E) Bornheutter-Ferguson Methodology used to develop ultimate loss & lae, i.e.,
 Ultimate Loss & LAE=EPXELRX[1-1/LDF] + reported incurred loss & lae

AMERICAN HOME/NATIONAL UNION GROUP
PSYCHOANALYSTS PROFESSIONAL LIABILITY

(\$ IN 000'S)

DETERMINATION OF ULTIMATE LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS

ILLINOIS

	(1)	(2)	(3)	(4)=(2)*(3)	(5)=(4)/(1)
Accident Year	Basic Limits Earned Premium	Basic Limits Reported Incurred Loss & ALAE	Loss Development Factors	Ultimate Loss & L.A.E. (Incl. 1.8% Unalloc L.A.E.)	Ultimate Loss & L.A.E. Ratio
COUNTRYWIDE					
2004	2,339	713	1.421	1,031	0.441
2005	2,639	174	1.701	302	0.114
2006	2,862	783	2.397	1,910	0.667
2007	2,981	175	4.047	720	0.242
2008	3,117	296	7.521	2,268	0.728
Total	13,937	2,142		6,231	0.447

ILLINOIS

2004	191	0	1.421	0	0.000
2005	215	0	1.701	0	0.000
2006	253	30	2.397	73	0.287
2007	275	2	4.047	8	0.031
2008	281	1	7.521	4	0.014
Total	1,215	32		85	0.070

American Home/National Union Group
PSYCHOANALYSTS PROFESSIONAL ABILITY
(\$ in 000'S)
COUNTRYWIDE

BASIC LIMITS INCURRED LOSSES & LOSS ADJUSTMENT EXPENSE AS OF 6/2009

Accident Year	6	18	30	42	54	66	78	90	102	114
2000	0	261	237	569	814	1,063	1,332	1,414	1,444	1,672
2001	75	182	531	1,148	1,212	1,410	1,630	1,584	1,584	
2002	100	339	661	724	837	1,255	1,123	1,245		
2003	0	45	270	580	682	736	816			
2004	0	23	303	357	740	713				
2005	0	164	136	195	174					
2006	0	135	352	783						
2007	0	58	175							
2008	1	296								
2009	2									

INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT

Accident Year	6-18	18-30	30-42	42-54	54-66	66-78	78-90	90-102	102-114	
2000	1.000	0.910	2.397	1.432	1.305	1.254	1.061	1.021	1.158	
2001	2.417	2.918	2.161	1.056	1.163	1.156	0.971	1.000		
2002	3.389	1.949	1.097	1.156	1.499	0.895	1.108			
2003	1.000	6.037	2.149	1.174	1.080	1.109				
2004	226.800	13.352	1.178	2.074	0.964					
2005	1.000	0.829	1.438	0.892						
2006	1.000	2.606	2.225							
2007	117.676	3.027								
2008	591.379									
2009										
Weighted Average	8.515	2.210	1.750	1.248	1.208	1.098	1.038	1.010	1.158	
4 Yr Wtd Average	658.181	2.545	1.806	1.310	1.185	1.098				
3 Yr Wtd Average	493.074	1.858	1.689	1.409	1.197	1.050	1.038			
2 Yr Wtd Average	356.915	2.732	2.006	1.656	1.020	0.974	1.027	1.010		
Selected Age-to-Age Ultimate Factors		1.858	1.689	1.409	1.197	1.050	1.038	1.010	1.158	
		7.521	4.047	2.397	1.701	1.421	1.354	1.304	1.291	1.115

AMERICAN HOME/NATIONAL UNION[®] GROUP
PSYCHOANALYSTS PROFESSIONAL ABILITY
(\$ IN 000'S)

ILLINOIS

BASIC LIMITS INCURRED LOSSES & LOSS ADJUSTMENT EXPENSE AS OF 6/2009

Accident Year	6	18	30	42	54	66	78	90	102	114
2000	0	0	0	0	0	75	96	120	128	305
2001	0	0	0	0	0	0	0	0	0	
2002	0	0	85	10	10	10	10	10		
2003	0	0	0	0	0	0	0			
2004	0	0	0	0	0	0				
2005	0	0	0	0	0					
2006	0	0	21	30						
2007	0	25	2							
2008	0	1								
2009	0									

INCURRED LOSS AND LOSS ADJUSTMENT EXPENSE DEVELOPMENT

Accident Year	6-18	18-30	30-42	42-54	54-66	66-78	78-90	90-102	102-114
2000	1.000	1.000	1.000	1.000	1.000	1.280	1.245	1.069	2.377
2001	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	
2002	1.000	245.214	0.121	1.000	1.000	1.000	1.000		
2003	1.000	1.000	1.000	1.000	1.000	1.000			
2004	1.000	1.000	1.000	1.000	1.000				
2005	1.000	1.000	1.000	1.000					
2006	1.000	1.000	1.453						
2007	1.000	0.082							
2008	1.000								
Average ex hi/lo	1.000	1.000	1.000	1.000	1.000	1.000	1.000		
4 Yr Average	1.000	0.771	1.113	1.000	1.000	1.070			
3 Yr Average	1.000	0.694	1.151	1.000	1.000	1.000	1.082		
2 Yr Average	1.000	0.541	1.227	1.000	1.000	1.000	1.000	1.034	

AMERICAN HOME/NATIONAL UNION GROUP
HEALTH PROFESSIONAL LIABILITY
Calculation of Annual Trend Factor

Exhibit 4

Countrywide as of 9/2009

Basic Limits Frequency Trend

(1)	(2)	(3)	(2)/(3)	(4)
Policy Year	Ultimate Closed With Payment Claims	Number of Policies	Closed With Payment Claims Per 100 Policies	Exponential Curve of Best Fit
2003	231	89,087	0.25935	0.21011
2004	226	91,524	0.24655	0.27316
2005	299	89,507	0.33412	0.35513
2006	315	86,007	0.36578	0.46169
2007	463	76,650	0.60382	0.60022
2008	826	88,381	0.93405	0.78032

Average Annual Change in Claim Frequency [R Squared = 0.89249403] 30.01%

Selected Annual Frequency Trend 30.01%

Basic Limits Severity Trend

(1)	(2)	(3)	(3)/(2)	(4)
Policy Year	Ultimate Closed With Payment Claims	Ultimate Paid Losses	Ultimate Paid Losses per Claim	Exponential Curve of Best Fit
2003	231	20,359	88.1	87.3
2004	226	16,749	74.2	74.0
2005	299	18,909	63.2	62.8
2006	315	17,578	55.9	53.3
2007	463	17,542	37.9	45.2
2008	826	35,238	42.7	38.3

Average Annual Change in Claim Severity [R Squared = 0.9135595] -15.18%

Selected Annual Severity Trend -15.18%

INDICATED SELECTED COMBINED TREND [Frequency x Severity] 10.27%

Derivation of Expected Loss Ratio

(1) Target rate of return on equity	15.0%
(2) Premium to Surplus Ratio	79.0%
(3) Target rate of return on premium [(1)/(2)]	19.0%
(4) Rate of return on premium	12.6%
(5) Target underwriting profit (loss) [(3)-(4)/.65]	9.8%
(6) Selected Profit	5.0%
(7) Total Expenses	28.8%
a. Commissions	16.50%
b. Other Acquisition	5.58%
c. General Expenses	1.93%
d. Taxes, Licenses & Fees	4.84%
(8) Expected Loss Ratio [1-(6)-(7)]	66.2%

AMERICAN HOME/NATIONAL UNION GROUP-MEDICAL MALPRACTICE							
INSURANCE EXPENSE EXHIBIT							
Countrywide Expenses (in 000's)	2006		2007		2008		3yr Weighted AVC
	\$	%	\$	%	\$	%	%
Written Premium	142,906	----	106,531	----	125,884	----	----
Other Acquisition	8,079	5.65%	5,518	5.18%	7,344	5.83%	5.58%
General Expenses	2,480	1.74%	2,422	2.27%	2,343	1.86%	1.93%
Taxes, Licenses and Fees	7,636	5.34%	5,095	4.78%	5,421	4.31%	4.84%

Healthcare

(000's)

Determination of Unallocated Loss Adjustment Expense Provision

(SOURCE: COMPANY COST STATEMENTS)

ITEM		2004	2005	2006	2007	2008	5-year Average
(1)	Losses Paid	271,474	175,786	206,975	188,980	212,809	211,205
(2)	Changes in Unpaid Losses	273,715	465,082	52,387	2,547	-159,111	126,924
(3)	Losses Incurred (1) + (2)	545,189	640,868	259,362	191,527	53,698	338,129
(4)	Allocated Loss Adjustment Expenses	76,023	68,936	72,293	76,744	85,730	75,945
(5)	Total Loss & ALAE (3) + (4)	621,212	709,804	331,655	268,271	139,428	414,074
(6)	Unallocated Loss Adjustment Expenses	7,550	5,547	7,136	7,778	8,509	7,304
(7)	Unallocated Loss Expense Ratio (6)/(5)	1.2%	0.8%	2.2%	2.9%	6.1%	1.8%

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES
(Explanatory Notes)

Medical Malpractice

A. UNEARNED PREMIUM RESERVE

1.	Medical Malpractice Direct Earned Premium for Calendar Year 2008				\$114,663
2.	Mean Unearned Premium Reserve $[0.501 * (1)]$ (See Notes p. 2)				57,497
3.	Deduction for Prepaid Expenses (See notes p. 2)				
	a) Commission and Brokerage	16.50%			
	b) Taxes, Licenses and Fees	4.84%			
	c) 50% of Other Acquisition Expenses	2.79%			
	d) 50% of General Expenses	0.97%			
	e) Total	25.09%			
4.	Deduction for Federal Taxes Payable (See Notes p. 2)				7.0%
5.	Net Amount Subject to Investment Income $[(2) \times (1.000 - (3) - (4))]$				39,045

B. DELAYED REMISSION OF PREMIUMS (Agents' Balances)

1.	Direct Earned Premium $[(A.1)]$				114,663
2.	Average Agents' Balance (See Notes pp. 2-3)				0.124
3.	Delayed Remission $[(1) \times (2)]$				14,193

C. LOSS RESERVE:

1.	Direct Earned Premium $[(A.1)]$				114,663
2.	Expected Incurred Loss and L.A.E. Reserves	@ ELR:	0.613		70,311
3.	Expected Mean Loss Reserves $[1.911 \times (2)]$ (See Notes p. 3)				134,346

D. SURPLUS

1.	Direct Written Premium				125,884
2.	Surplus Subject to Investment $[(D.1)/\text{prem to surp}]$				159,346

E. NET AMOUNT SUBJECT TO INVESTMENT: $[(A.5) - (B.3) + (C.3) + (D.2)]$

318,545

F. AVERAGE RATE OF RETURN ON INVESTED ASSETS (See Notes p. 4)

5.03%

G. INVESTMENT EARNINGS ON NET SUBJECT TO INVESTMENT $[(E) \times (F)]$

16,024

H. AVERAGE RATE OF RETURN (As % of Direct Earned Premium) $[(G) / (A.1)]$

13.97%

I. AVERAGE RATE OF RETURN (After Federal Income Taxes) $[(H) \times 0.901]$

12.60%

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES
(Explanatory Notes)

Medical Malpractice

Line A.1

Medical Malpractice direct earned premium for calendar year 2008 as provided by American Home/National Union Group.

Line A.2

The mean direct unearned premium reserve is determined by multiplying the Medical Malpractice direct earned premium in line (A.1) by the countrywide ratio of the mean direct unearned premium reserve to the direct earned premium for 2008. See below for calculation of this ratio. This ratio is based on data for Medical Malpractice from page 15 of the Annual Statement for American Home/National Union Group

	(In 000's)
1. Direct Earned Premium for Calendar Year 2008	\$ 114,663
2. Direct Unearned Premium Reserve as of 12/31/07	51,886
3. Direct Unearned Premium Reserve as of 12/31/08	63,107
4. Mean Direct Unearned Premium Reserve 1/2 [(2) + (3)]	57,497
5. Ratio [(4) / (1)]	0.501

Line A.3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of the filed insurance coverage exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedure as shown.

Line A.4

Deduction for Federal Taxes Payable:

Taxable percentage of unearned premium reserves (Tax Reform Act of 1986):	20.0%
Corporate Tax Rate:	35.0%
Total Percentage of Unearned Premium Reserve:	7.0%

Line B.2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premiums beyond the effective dates of the policies. Funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus. (continued)

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES
(Explanatory Notes)

Medical Malpractice

Line B.2 (continued)

Agents' balances or uncollected premiums for premiums due less than 90 days are calculated as follows:

	(In 000's)
1. Net Earned Premium for Calendar Year 2008	\$ 19,629,152
2. Net Agents' Balances as of 12/31/07	1,648,866
3. Net Agents' Balances as of 12/31/08	2,283,776
4. Mean Agents' Balances $1/2 \times [(2) + (3)]$	1,966,321
5. Ratio $[(4) / (1)]$	0.100

The above percentage must be multiplied by a factor of 1.236 to include the effect of agents' balances or uncollected premiums overdue for more than 90 days. The factor 1.236 is based on 2008 company data.

Final adjusted Agents' Balance:	0.1238
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Line C.2

The expected loss and loss adjustment ratio reflects the expense provisions used in the filing.

Line C.3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (C.2) by the average countrywide ratio of the mean loss and loss adjustment reserves to the incurred losses and loss adjustment expenses in 2007 and 2008 for Medical Malpractice Insurance. This ratio is based on Annual Statement Data.

	(In 000's)
1. Incurred Losses and L.A.E. for Calendar Year 2007	69,179
2. Incurred Losses and L.A.E. for Calendar Year 2008	96,751
3. Loss Reserves and L.A.E. as of 12/31/06	482,785
4. Loss Reserves and L.A.E. as of 12/31/07	465,875
5. Loss Reserves and L.A.E. as of 12/31/08	473,807
6. Mean Loss Reserve 2007: $1/2 [(3) + (4)]$	474,330
7. Mean Loss Reserve 2008: $1/2 [(4) + (5)]$	469,841
8. Ratio $(6) / (1)$	6.857
9. Ratio $(7) / (2)$	4.856
10. Average Ratio $1/2 [(8) + (9)]$	5.856
11. Loss reserve for American Home/National Union Group, selected	2.000
12. Estimated Reserve Discount	12.8%
13. Federal Taxes Payable (% of Reserves): $(12) \times .35$	0.045
14. $(11) \times [1.0 - (13)]$	1.911

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES
(Explanatory Notes)

Medical Malpractice

Line E

The rate of return is the ratio of net investment income earned and net realized capital gains (or losses) to mean cash and invested assets (including interest, dividends, and real estate income due and accrued).

<u>Year</u>	Net Investment Income Earned (In 000's)	Mean Cash and Invested Assets (In 000's)	Rate of Return
2007	3,101,303	64,895,846	4.78%
2008	3,034,220	65,870,295	4.61%
Total	6,135,523	130,766,141	4.69%

<u>Year</u>	Realized Capital Gains (or Losses) (In 000's)	Mean Cash and Invested Assets (In 000's)	Rate of Return
1999-2008	1,413,815	418,605,174	0.34%

Total Rate of Return:

Net Investment Income Earned and Net Realized Capital Gains (or Losses)

5.03%

Line H

The average rate of Federal Income Tax was determined by applying the appropriate tax rates to the distribution of investment income earned for 2008 for the American Home/National Union Group.

	Rate of Return	Federal Income Tax Rate
Net Investment Income Earned	4.69%	0.081
Net Realized Capital Gains (or Losses)	0.34%	0.350
Total	5.03%	0.099

1.000 - Federal Income Tax Rate

0.901

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES
(Explanatory Notes)

Medical Malpractice

Line H (continued)

	Investment <u>Income Earned</u>	Federal Income <u>Tax Rate</u>
<u>Bonds</u>		
Taxable	\$ 263,160	0.350
<u>Non-Taxable</u>	<u>1,581,483</u>	<u>0.026</u>
Total	\$ 1,844,643	(A) 0.072
<u>Stocks</u>		
Taxable	\$ 130,203	0.123
<u>Non-Taxable</u>	<u>788,092</u>	<u>---</u>
Total	\$ 918,295	(B) 0.017
<u>Mortgage Loans and Real Estate</u>		
Mortgage Loans	\$ 0	
Real Estate	0	
Collateral Loans	0	
Cash on Deposit	0	
Short Term Investments	21,465	
<u>All Other</u>	<u>352,694</u>	
Sub-Total	\$ 374,159	0.350
Total	\$ 3,137,097	0.089
Investment Deductions	\$ 102,877	0.350
Net Investment Income Earned	\$ 3,034,220	0.081

(A) Assume 50% of the income on tax-exempt bonds is subject to proration; that is, 15% of that income is taxed at the full corporate income tax rate of 35%. The applicable tax rate is thus 2.6%. $((.50 \times .15 \times .35) = .026)$

(B) 30% of dividend income is subject to the full corporate income tax rate of 35%. Assume 50% of the dividend income on stocks is subject to proration; that is, 15% of the remaining 70% of dividend income is taxed at a rate of 35%. The applicable tax rate is thus 12% $((.30 \times .35) + (.50 \times .70 \times .15 \times .35) = .123)$.

**AMERICAN HOME ASSURANCE COMPANY
COMMERCE AND INDUSTRY INSURANCE COMPANY
PSYCHOANALYSTS PROFESSIONAL LIABILITY
ILLINOIS**

I. PSYCHOANALYSTS PROFESSIONAL LIABILITY RATES

LIMITS OF LIABILITY	RATE
\$200,000/\$600,000	2,395
\$1,000,000/\$1,000,000	3,951
\$1,000,000/\$3,000,000	4,356
\$2,000,000/\$2,000,000	4,705
\$2,000,000/\$3,000,000	4,836
\$2,000,000/\$4,000,000	4,967
\$2,000,000/\$5,000,000	5,097
\$2,000,000/\$6,000,000	5,228
\$3,000,000/\$3,000,000	5,226
\$3,000,000/\$4,000,000	5,356
\$3,000,000/\$5,000,000	5,487
\$4,000,000/\$4,000,000	5,634
\$4,000,000/\$5,000,000	5,765
\$5,000,000/\$5,000,000	5,987

II. SCHOOL/INSTITUTE/SOCIETY RATES

A. SCHOOL/INSTITUTE

LIMITS OF LIABILITY	RATES BASED ON OUTPATIENT VISITS
\$100,000/\$300,000	0.509 first 5,000 visits
	0.407 next 3,000 visits
	0.367 next 8000 visits and over
\$500,000/\$500,000	0.652 first 5,000 visits
	0.521 next 3,000 visits
	0.469 next 8000 visits and over
\$1,000,000/\$1,000,000	0.754 first 5,000 visits
	0.603 next 3,000 visits
	0.543 next 8000 visits and over
\$1,000,000/\$3,000,000	1.240 first 5,000 visits
	0.992 next 3,000 visits
	0.893 next 8000 visits and over

Minimum Policy Premium - \$750 for \$1,000,000/\$1,000,000
\$1,000 for \$1,000,000/\$3,000,000

B. SOCIETIES

LIMITS OF LIABILITY	PREMIUM
\$500,000/\$500,000	345
\$1,000,000/\$1,000,000	530
\$1,000,000/\$3,000,000	796

III. ADDITIONAL COVERAGES

ECT - Electroconvulsive Therapy Coverage - An additional charge of 25%
Part-Time Psychoanalysts- 50% for psychoanalysts practicing 20 hours or
less per week

IV. ADDITIONAL INSURED CHARGES:

Landlord: 20% of the policy premium
Corporation with Other Employees: 40% of the policy premium
Additional Insured: 20% of the policy premium. Only applies to School/Institute/Society

V. ADMINISTRATIVE HEARING

INCREASED LIMITS	RATE
\$10,000	\$175
\$25,000	\$500

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JUN 01 2010

**STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS**

**AMERICAN HOME ASSURANCE COMPANY
COMMERCE AND INDUSTRY INSURANCE COMPANY
PSYCHOANALYST PROFESSIONAL LIABILITY
Occurrence Rating Rules
ILLINOIS**

1. **Coverage:** All coverages are written on an occurrence basis. For details of coverage, please refer to the policy form.
2. **Limits of Liability:** Manual rates provide a basic professional liability limit of \$1,000,000 each occurrence and \$3,000,000 aggregate as well as \$5,000 for Administrative Hearing coverage. The standard coverage provides for one limit to apply to all persons listed under a single policy. When a corporation or partnership is also covered, the organization shares in the limit of liability with the Named Insured.
3. **Rating Procedure:**
- | | |
|--------------------------------|--|
| Individual | Each individual psychoanalyst receives a basic rate which is derived from the location of the practice. |
| Corporation/Partnership | Inclusive limits coverage, within the same individual insured's limits of liability, included automatically. |
| Landlord | Landlord may be added as an additional insured at an additional charge of 20% of policy premium. |
| Additional Insured | May be added as an additional insured at an additional charge of 20% of policy premium. |
4. **Deductibles:** \$0
5. **Rating Modifications:** The manual rates for insureds may be modified by the following credit/debits:
- Electro-convulsive Therapy (ECT) - An additional charge of 25% will be made for psychoanalysts performing ECT.
 - Part-time - Each individual will be charged 50% of the full-time premium rate for psychoanalysts practicing 20 hours or less per week.
 - Risk Management Credit 0 - 10%- Attended risk management seminar in the last 12 months or participated in continuing education program.
 - Training Credit 20% - Psychologists, Social Workers and other Mental Health Professionals who have completed training and are licensed to practice as a Psychoanalyst, but are not trained or licensed as a Medical Doctor.
- Maximum credit will not exceed 30%.
6. **Administrative Hearing:** Additional limits for Administrative Hearing Coverage are available as provided within the Rate Sheet.
7. **The following definition applies to School/Institute/Society. An outpatient visit shall be defined as follows:**
- a) Individual Counseling: each face-to-face visit is considered one (1) visit;
 - b) Group Counseling: each patient in group session is considered one (1) visit;
 - c) ALL visits performed under the direction of the School/Institute/Society, whether conducted on school property or in a private facility are to be included in the school's total outpatient number.
8. **Exposure Reporting Basis:** The exposure reporting basis for psychoanalysts is per person per 12 month period.
9. **Quarterly Installment Plan:** The charge for premium installments shall be the lesser of one percent (1%) of the total premium or \$25.00 per installment. There will be no interest charges on installment payments. Any additional premium resulting from changes to the policy will be spread equally over the remaining installments, if any. If there are no remaining installments, additional premium resulting from changes to the policy will be billed immediately as a separate transaction.
- | | | |
|----------------|---|-----|
| First Quarter | = | 40% |
| Second Quarter | = | 20% |
| Third Quarter | = | 20% |
| Fourth Quarter | = | 20% |

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JUN 01 2010

STATE OF ILLINOIS
DEPARTMENT OF INSURANCE
SPRINGFIELD, ILLINOIS